

Department of Social and Health Services

**DP Code/Title: M2-CA DSH Funding**

**Program Level - 030 Mental Health**

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Budget Period: 2003-05    Version: 11    2003-05 Agency Request Budget

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**Recommendation Summary Text:**

This request is for an increase in General Fund-State (GF-S) funding to replace General Fund-Federal (GF-F), which is being lost due to the reduction to the Institution for Mental Disease (IMD) Disproportionate Share Hospital (DSH) lid.

**Fiscal Detail:**

**Operating Expenditures**

|   | <b><u>FY 1</u></b> | <b><u>FY 2</u></b> | <b><u>Total</u></b> |
|---|--------------------|--------------------|---------------------|
| <b>Program 030</b>                                      |                    |                    |                     |
| 001-1 General Fund - Basic Account-State                | 5,350,000          | 5,350,000          | 10,700,000          |
| 001-C General Fund - Basic Account-DSHS Medicaid Federa | (5,350,000)        | (5,350,000)        | (10,700,000)        |
| <b>Total Cost</b>                                       | <b>0</b>           | <b>0</b>           | <b>0</b>            |

**Staffing**

**Package Description:**

Eastern and Western State Hospitals receive federal funds for state-only clients under the IMD DSH program. The federal IMD DSH lid for the hospitals has been reduced from \$55,350,000 to \$50,000,000 beginning in Federal Fiscal Year 2003 and is projected to continue at this level. This means there will be fewer federal funds available to support the hospitals. This request is for an increase in GF-S dollars to replace the federal revenue lost due to the reduction in the IMD DSH lid.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This funding will allow the Mental Health Division to continue providing the current level of services to clients.

***Performance Measure Detail***

**Program: 030**

**Goal: 09C Optimize services within resources**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

***Reason for change:***

The federal government has reduced the IMD DSH lid.

***Impact on clients and services:***

This request is to replace the federal funds that would have been provided through the IMD DSH program. If approved there will be no impact on clients and services.

***Impact on other state programs:***

None

***Relationship to capital budget:***

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None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

No alternatives have been explored. This is the only means available to offset this loss of federal funding without having to reduce services at the state hospitals.

***Budget impacts in future biennia:***

It is expected that this change will carry forward to future biennia at the same level.

***Distinction between one-time and ongoing costs:***

The need for increased GF-S funding will be ongoing.

***Effects of non-funding:***

If the increase in GF-S is not approved the hospitals will be short \$5.35 million dollars annually, and unable to provide the same level of services. If the hospitals cannot provide services to all who need them, the result could impact several programs such as the Department of Corrections, the Division of Developmental Disabilities, and Aging and Adult Services Administration.

***Expenditure Calculations and Assumptions:***

Current DSH (Federal Share) Allotment Authority:  
\$55,350,000

Federal Fiscal Year 2003 IMD DSH Lid:  
\$50,000,000

Decrease in Federal Funding :  
\$5,350,000 per year

Additional General Fund - State Funding Needed:  
\$5,350,000 per year

**Object Detail**

**FY 1**

**FY 2**

**Total**

**Program Totals**

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**DSHS Source Code Detail**

| Program 030   |                             | <u>FY 1</u>        | <u>FY 2</u>        | <u>Total</u>        |
|---|-----------------------------|--------------------|--------------------|---------------------|
| Fund 001-1, General Fund - Basic Account-State                |                             |                    |                    |                     |
| <u>Sources</u>  | <u>Title</u>                |                    |                    |                     |
| 0011  | General Fund State          | 5,350,000          | 5,350,000          | 10,700,000          |
| <i>Total for Fund 001-1</i>                                   |                             | <u>5,350,000</u>   | <u>5,350,000</u>   | <u>10,700,000</u>   |
| Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa |                             |                    |                    |                     |
| <u>Sources</u>  | <u>Title</u>                |                    |                    |                     |
| 19TA  | Title XIX Assistance (FMAP) | (5,350,000)        | (5,350,000)        | (10,700,000)        |
| <i>Total for Fund 001-C</i>                                   |                             | <u>(5,350,000)</u> | <u>(5,350,000)</u> | <u>(10,700,000)</u> |
| <b>Total Program 030</b>                                      |                             | <u>0</u>           | <u>0</u>           | <u>0</u>            |